

Transmission Business Line (TBL)

Customer Comments and BPAT Responses

Generation Imbalance Service Business Practice, Revision 2

For OATT of 10/01/01 and the Ancillary and Control Area Service Rate Schedule Effective October 1, 2003

Posted September 19, 2003

This document contains the customer comments on the Generation Imbalance Services, Revision 1 business practice draft, posted 08/01/2003, and the responses to those comments from Bonneville Power Administration Transmission Business Line (BPAT).

Table of Contents

| 1. | Comments from PRM | . 7 |
|----|---------------------------|-----|
| | Comments from Transcanada | |
| 3. | PBLComments | |
| | Section A.2: | |
| | Section A.4.a.1 | |
| | Section A.4.a.2 | : |
| | Section A.4.c | : |
| | Section A.5 | : |
| | Section A 6 h | 7 |

1. Comments from PRM

Jack Kelly of PRM submitted the following comments on August 5, 2003 via e-mail.

Do the payback schedules to reduce the HLH and LLH generation imbalance need to be delivered by the generator that has the imbalance or can a schedule come from another source (such as Slice)? If the payback schedule must come from the generator that has the imbalance, as the new business practice suggests, this may be a problem for peaking units. Payback schedules must be submitted and approved during preschedule but usually a peaker is not included in the preschedule process.

BPAT Response

The Payback Schedules must come from the generator that incurred the deviation. The settlement is made at the generator bus so that no transmission is used for the Payback Schedules. This may be more difficult for generators that run intermittently, but note that the Deviation Band 1 settlement for any balance remaining at the end of the month is at the base Energy index with no adder.

2. Comments from Transcanada

John Cameron submitted comments on behalf of Transcanada on August 4, 2003 via e-mail

If a generator fails to generate at prescheduled levels due to a RAS event, what provision of the gen. imbalance service tariff would relieve us from paying the charge?

BPAT Response

See section A.1, 2nd paragraph. When a generator has a contingency the Generator Imbalance service is not applied, that is, the generator is in balance as the difference is made up by the Operating Reserve service. The generator is charged for the energy taken as part of the Operating Reserve Service (currently this is at the Mid-C rate). A RAS event where the generator is reduced due to a RAS signal from BPAT is considered a contingency for energy accounting purposes.

3. PBLComments

Lynn Aspass submitted comments on behalf of PBL on August 14, 2003 via e-mail.

Section A.2:

PBL suggests deleting the last sentence after BPAT, because Section E specifies how the accounting works for Band 1.

BPAT Response

BPAT agrees with your suggestion and will make the change. The correct reference for accounting is to Section 4.b.

Section A.4.a.1

How are payback schedules factored into the overall Generation Imbalance calculation?

BPAT Response

Payback Schedules are used to reduce the deviation balance in Deviation Band 1. This is explained in Section A.4.a.2.

9/19/2003 page 2 of 3

Section A.4.a.2

PBL suggest making the Band 1 positive and negative payback schedule descriptions two separate paragraphs.

BPAT Response

BPAT agrees with your suggestion and will make the change.

Section A.4.c

PBL suggest replacing this section with the following: "Under the 2002 Transmission and Ancillary Service Rate Schedules, deviation account balances at the end of the month carryover to the next month. In order to transition to the 2004 Transmission and Ancillary Service Rate Schedules, TBL must settle financially for any deviation account balance remaining on September 30, 2003. This settlement will be consistent will be at the average Mid-C price for the month."

BPAT Response

BPAT believes this section is clear and will not change it. The settlement procedure is specified in the Business practice, not the 2002 Rate Schedule.

Section A.5

PBL suggests deleting the .1 at the end of the section reference, because there are other rate provisions contained in .2 that specify settlements for deviations outside Band 1.

BPAT Response

BPAT agrees with your suggestion and will make the change.

Section A.6.b

The last sentence doesn't make sense the way it is written, and PBL suggests replacing "after" with "prior."

BPAT Response

The intent is that the resource not be subject to Band 3 before commercial operation, but that it will be subject to Band 3 after that date. If the resource owner does not provide the actual date, BPAT will use its best information in determining the date.

9/19/2003 page 3 of 3